



## ***Business Income With Extra Expense***

### ***Additional Coverages***

#### ***Loss Of Utilities (continued)***

excluding **overhead communication, transmission or distribution equipment**, necessary to supply your premises with:

- water supply;
- communication supply;
- power supply;
- natural gas supply;
- sewage treatment; or
- **on-line access,**

services.

We will pay such loss provided that the disruption of services:

- is not due to your failure to comply with the terms and conditions of any contract; and
- has been reported to the service provider.

We will not pay for the actual **business income** loss you incur until the:

- applicable waiting period shown in the Declarations for Business Income expires;
- applicable waiting period shown in the Declarations for Loss Of Utilities expires; or
- first 24 normal business hours following the direct physical loss or damage expires, whichever is the longer.

This Additional Coverage does not apply if the direct physical loss or damage is caused by or results from earthquake or flood.

#### ***Newly Acquired Premises***

We will pay for the actual:

- **business income** loss you incur due to the actual impairment of your **operations**; and
- **extra expense** you incur due to the actual or potential impairment of your **operations**, during the **period of restoration**, not to exceed the applicable Limit Of Insurance for Business Income shown in the Declarations under Newly Acquired Premises.

This actual or potential impairment of **operations** must be caused by or result from direct physical loss or damage by a **covered peril** to **property** at each newly acquired premises. This Additional Coverage applies until the first of the following occurs:

- you notify us of how you want Business Income With Extra Expense to apply to the newly acquired premises and we add such premises to this policy;
- 180 days pass from the date you acquire the premises; or
- this policy expires.

We will charge you additional premium from the date you acquire the premises, if we add such premises to this policy.

## **Additional Coverages**

(continued)

### **Pollutant Clean-up Or Removal**

We will pay for the actual **business income** loss you incur due to the actual impairment of your **operations** during the **period of restoration**, not to exceed the applicable Limit Of Insurance for Pollutant Clean-up Or Removal shown under Business Income in the Declarations.

This actual impairment of **operations** must be caused by or result from the enforcement of any ordinance or law that requires you to clean up or remove **pollutants** from land, water or air, either inside or outside of a **building**, as a result of direct physical loss or damage by a **covered peril** to **property** at the premises shown in the Declarations.

### **Preparation Of Loss Fees**

We will pay the reasonable and necessary expenses and fees incurred following covered loss or damage to certify your **business income** loss or **extra expense**, not to exceed the applicable Limit Of Insurance for Preparation Of Loss Fees shown under Business Income in the Declarations.

This Additional Coverage does not apply to any expenses you incur for **any**:

- insurance adjuster, consultant or attorney; or
- of your subsidiaries or affiliates.

### **Limits Of Insurance**

The most **we** will pay in any **occurrence** is the amount of loss, not to exceed the applicable Limit Of Insurance shown in the Declarations.

### **Automatic Increase In Limits**

The Limits Of Insurance for Business Income With Extra Expense will automatically increase by the annual percentage shown in the Declarations under Automatic Increase In Limits. At the time of loss or damage, the amount of increase will be determined by multiplying the applicable Limit Of Insurance shown in the Declarations by the percentage of the annual increase, applied on a pro rata basis.

This Automatic Increase In Limits:

- applies only to a **premises** shown in the Declarations for which the Automatic Increase in Limits is shown; and
- does not apply to any Limit Of Insurance applicable to **more** than one premises.

### **Waiting Period**

Subject to the applicable Limit Of Insurance, we will pay the amount of **business income** loss that is incurred after the waiting period shown in the Declarations for each **occurrence**.

If a waiting period is shown in the Declarations, the **waiting** period begins immediately following the time of the covered direct physical **loss** or **damage**.

If two or more Business Income waiting periods apply to the same **occurrence**, only the largest single waiting period will apply, unless otherwise stated.

Hours shown for the waiting period are the normal business hours.

The waiting period does not apply to **extra expense**.



## ***Business Income With Extra Expense***

### ***Loss Determination***

In making any loss determination under this coverage, we may utilize relevant sources of information, including:

- your financial records and accounting procedures;
- bills, invoices and other vouchers;
- deeds, liens and contracts;
- status and feasibility reports; and
- budgeting and marketing records.

### ***Business Income***

The amount of **business income** loss will be determined based on the:

- net income of your business before the direct physical loss or damage occurred;
- the likely net income of your business if no loss or damage occurred, but not including any **business income** that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the covered loss on customers or on other businesses; and
- your continuing operating expenses, including your continuing normal payroll expenses, necessary to resume **operations** with the same quality of service that existed just before the direct physical loss or damage.

### ***Extra Expense***

The amount of **extra expense** loss will be determined based on necessary expenses that:

- exceed your normal operating expenses that would have been incurred by **operations** during the **period of restoration**, if no physical loss or damage had occurred; and
- reduce the **business income** loss that otherwise would have been incurred.

We will deduct from the total of such expenses:

- the salvage value that remains on any property bought for temporary use during the **period of restoration**, once **operations** are resumed; and
- any **extra expense** that is paid for by other insurance.

### ***Resumption Or Continuance Of Operations***

We will reduce the amount of any **business income** loss payment to the extent you can resume or continue your **operations**, in whole or in part, by using:

- damaged or undamaged property, including **merchandise** or **stock**; or
- any other available premises.

If you elect not to resume or continue **operations**:

- any loss determination for **business income** will be based on the length of time it would have taken to resume or continue **operations** with reasonable speed; and
- we will not make any payment for **extra expense**.

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<b>Loss Payment Option</b>	The following Loss Payment Option applies when a Monthly Limit of Indemnity under Business Income is shown in the Declarations:
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**Monthly Limit Of Indemnity**

The most we will pay for the actual **business income** loss incurred in each period of 30 consecutive days after the beginning of the **period of restoration** will be determined by multiplying the Limit Of Insurance for Business Income With Extra Expense by the Monthly Limit Of Indemnity shown in the Declarations.

If all of the amount determined by this calculation is not used in the 30 day period, the unused portion may be applied to any subsequent 30 day periods.

This Monthly Limit Of Indemnity applies only for **business income** loss, not **extra expense**.

**Loss Payment Limitations****Debris Removal**

We will not pay for any **extra expense** you incur for the demolition or removal of debris, but we will pay for such **extra expense** you incur to the extent it reduces the amount of a covered **business income** loss that otherwise would have been payable under this contract.

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<b>Increase Of Loss Due To Death Or Injury</b>	We will not pay for any <b>business income</b> loss or <b>extra expense</b> caused by or resulting from any injury, sickness, disease, death, emotional injury, emotional distress or humiliation of any person.
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**Increase Of Loss Due To Strikers Or Others Causing A Delay**

We will not pay for any increase of loss caused by or resulting from delay in repairing or replacing property or resuming your **operations**, due to interference at the location of the repair, replacement or **operations** by strikers or other persons.

**Loss Or Damage To Electronic Data**

We will not pay for any **business income** loss or **extra expense** you incur caused by or resulting from direct physical loss or damage to **electronic data**, unless such direct physical loss or damage is caused by or results from:

- aircraft;
- explosion;
- **earthquake**, (except California) to the extent covered under the Electronic Data Processing Property contract which is part of this policy;
- falling objects;
- fire;
- **flood**, to the extent covered under the Electronic Data Processing Property contract which is part of this policy;
- freezing;
- leakage from fire protection equipment;
- lightning;
- riot or civil commotion;
- **sinkhole collapse**;
- smoke;



## ***Business Income With Extra Expense***

### ***Loss Payment Limitations***

#### ***Loss Or Damage To Electronic Data (continued)***

- vehicles;
- weight of snow; or
- windstorm or hail.

#### ***Loss Or Damage To Finished Stock***

We will not pay for that part of any **business income** loss to **finished stock**.

#### ***Loss Or Damage To Property Used To Provide Utility Services***

Except as provided for in the Loss of Utilities Additional Coverage, we will not pay for any **business income** loss or **extra expense** caused by or resulting from loss or damage to:

- **building**;
- **personal property of a utility** located either inside or outside of a **building**; or
- **service property**,

used by you or a utility to provide you with utility **services**.

#### ***Loss Or Damage To Water***

We will not pay for any **business income** loss or **extra expense** you incur for loss or damage to water.

#### ***Nuclear Hazard***

We will not pay for any **business income** loss or **extra expense** you incur for loss or damage to **building** or **personal property** caused by or resulting from fire which ensues from nuclear reaction or radiation, or radioactive contamination.

#### ***Pollutant Clean-up Or Removal***

We will not pay for any **extra expense** you incur for:

- clean up or removal of **pollutants** from land, water or air, either inside or outside of a **building**; or
- testing for, monitoring, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the effects of **pollutants**,

but we will pay for such **extra expense** you incur to the extent it reduces the amount of a covered **business income** loss that otherwise would have been payable under this contract.

#### ***Conditions (Including Coverage Territory)***

The conditions applicable to this contract are contained in the Property/Business Income Conditions And Definitions form included in this policy. Any additional conditions are shown in the Additional Condition section of this contract.

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## ***Additional Condition***

### ***Business Income Coinsurance***

Coinurance applies to **business income** only when a coinsurance percentage under Business Income With Extra Expense is shown in the Declarations.

Coinurance does not apply to:

- A. **extra expense;**
- B. any covered loss of \$100,000 or less;
- C. Contractual Penalties;
- D. **Ingress And Egress;**
- E. New Product Delay; and
- F. the following Additional Coverages:
  - 1. Any Other Location;
  - 2. Dependent Business Premises when a Limit Of Insurance for a specific Dependent Business Premises has not been purchased;
  - 3. Exhibition, Fair Or Trade Show;
  - 4. International Air Shipments;
  - 5. In Transit;
  - 6. Loss Of Utilities;
  - 7. Newly Acquired Premises;
  - 8. Pollutant Clean-up Or Removal; and
  - 9. Preparation Of Loss Fees.

We will not pay the full amount of any **business income** loss if the applicable Limit Of Insurance for Business Income With Extra Expense shown in the Declarations is less than:

- A. the applicable coinsurance percentage under Business Income With Extra Expense shown in the Declarations multiplied by:
- B. the sum of:
  - 1. net income (net profit or loss before income taxes); and
  - 2. operating expenses, including payroll expenses,

that would have been earned or incurred (had no loss occurred) by you in your **operations** for the 12 months following the effective date, or last previous anniversary date, of this policy (whichever is later).

Instead, our maximum **business income** loss payment will be determined as follows:

- A. multiply the net income and operating expenses that would have been earned or incurred (had no loss occurred) by you in your **operations** for the 12 months following the effective date, or last previous anniversary date, of this policy by the applicable coinsurance percentage under Business Income With Extra Expense in the Declarations;
- B. divide the applicable Limit Of Insurance for Business Income With Extra Expense by the figure determined in step A;
- C. multiply the total amount of the covered loss by the figure determined in step B; and
- D. subtract the applicable waiting period, if any, from the amount determined by step C.



## ***Business Income With Extra Expense***

### ***Additional Condition***

#### ***Business Income Coinsurance (continued)***

The amount determined in step D. is the most we will pay, not to exceed the applicable Limit Of Insurance for Business Income With Extra Expense shown in the Declarations.

In determining operating expenses for the purpose of applying coinsurance, the following expenses, if incurred, shall be deducted from the total of all operating expenses:

- prepaid freight - outgoing;
- returns and allowances;
- discounts;
- bad debts;
- collection expenses;
- cost of raw stock and factory supplies consumed (including transportation charges);
- cost of merchandise sold (including transportation charges);
- cost of other supplies consumed (including transportation charges);
- cost of services purchased from outsiders (not employees) that do not continue under contract;
- power, heat and refrigeration expenses that do not continue under contract if endorsement form 80-02-1337 is attached; and
- all ordinary payroll expense or the amount of payroll expense excluded if endorsement form 80-02-1341 is attached.

#### ***Definitions***

The definitions applicable to this contract are contained in the Property/Business Income Conditions And Definitions form included in this policy.

## ***Property Insurance***

### *Electronic Data Processing Property*

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## ***Electronic Data Processing Property***

### ***Contract***

Words and phrases that appear in **bold** print have special meanings and are defined in the Property/Business Income Conditions And Definitions form included in this policy.

Throughout this contract, the words "you" and "your" refer to the Named Insured shown in the Declarations of this policy. The words "we", "us" and "our" refer to the company providing this insurance.

#### **Premises Coverages**

The following Premises Coverages apply only at those premises for which a Limit Of Insurance applicable to such coverages is shown in the Declarations.

Except as otherwise provided, the loss or damage must:

- be caused by or result from a **technology peril**; and
- occur at, or within 1,000 feet of, the premises shown in the Declarations.

#### ***Electronic Data Processing Property***

We will pay for direct physical loss or damage to **electronic data processing property** caused by or resulting from a **technology peril**, not to exceed the applicable Limit Of Insurance for Electronic Data Processing Property shown in the Declarations.

If you purchase additional, separate Limits Of Insurance for:

- **electronic data processing equipment**;
- **electronic data**;
- **mobile communication property**; or
- **communication property**;

then the applicable Limit Of Insurance for:

- Electronic Data Processing Equipment;
- Electronic Data;
- Mobile Communication Property; or
- Communication Property,

shown in the Declarations will apply.

#### ***Public Safety Service Charges***

We will pay the charges you:

- assume under any contract or agreement; or
- are required to pay by local ordinance,

in effect at the time of the direct physical loss or damage, if a fire department or other municipal agency charged with preserving public safety is called to save or protect **electronic data processing property** from direct physical loss or damage caused by or resulting from a **technology peril**, not to exceed the applicable Limit Of Insurance for Public Safety Service Charges shown in the Declarations.

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## Premises Coverages

(continued)

### Removal

We will pay for direct physical loss or damage to **electronic data processing property** while:

- being moved to another location or returned from such location to its original location; or
- temporarily stored at another location,

if you must move the **electronic data processing property** from such location to preserve it from imminent loss or damage caused by or resulting from a **technology peril**, not to exceed the applicable Limit Of Insurance for:

- Electronic Data Processing Equipment;
- Electronic Data;
- Communication Property; or
- Electronic Data Processing Property,

shown in the Declarations.

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### Additional Coverages

The following Additional Coverages apply within the coverage territory.

### Any Other Location

We will pay for direct physical loss or damage caused by or resulting from a **technology peril** to:

- **electronic data processing equipment**;
- **electronic data**; or
- **communication property**,

at unspecified premises, not to exceed the applicable Limit Of Insurance for Electronic Data Processing Property shown under Any Other Location in the Declarations.

If you purchase additional, separate Limits Of Insurance for:

- **electronic data processing equipment**;
- **electronic data**; or
- **communication property**,

then the applicable Limit Of Insurance for:

- Electronic Data Processing Equipment;
- Electronic Data; or
- Communication Property,

shown under Any Other Location in the Declarations will apply.

This Additional Coverage does not apply to **electronic data processing property**:

- while at any exhibition, fair or trade show;
- at any newly acquired premises; or
- while **in transit**.



## ***Electronic Data Processing Property***

### ***Additional Coverages***

#### ***Any Other Location (continued)***

This Additional Coverage applies only if an applicable Limit Of Insurance for Electronic Data Processing Property is shown under Any Other Location in the Declarations.

#### ***Exhibition, Fair Or Trade Show***

We will pay for direct physical loss or damage to:

- **electronic data processing equipment;** or
- **electronic data,**

caused by or resulting from a **technology peril** while:

- **in transit** to or from any exhibition, fair or trade show; or
- **at any exhibition, fair or trade show,**

not to exceed the applicable Limit Of Insurance for Electronic Data Processing Property shown under Exhibition, Fair Or Trade Show in the Declarations.

If you purchase additional, separate Limits Of Insurance for:

- **electronic data processing equipment;** or
- **electronic data,**

then the applicable Limit Of Insurance for:

- Electronic Data Processing Equipment; or
- Electronic Data,

shown under Exhibition, Fair Or Trade Show in the Declarations will apply.

This Additional Coverage applies only if an applicable Limit Of Insurance for Electronic Data Processing Property is shown under Exhibition, Fair Or Trade show in the Declarations.

#### ***Fire Protection Equipment***

We will pay the cost you incur to refill your discharged fire protection equipment whether or not there is direct physical loss or damage to your **electronic data processing property**.

This Additional Coverage is provided regardless of whether a Limit Of Insurance is shown in the Declarations.

#### ***In Transit***

We will pay for direct physical loss or damage to:

- **electronic data processing equipment;** or
- **electronic data,**

while **in transit** caused by or resulting from a **technology peril**, not to exceed the applicable Limit Of Insurance for Electronic Data Processing Property shown under In Transit in the Declarations.

If you purchase additional, separate Limits Of Insurance for:

- **electronic data processing equipment;** or
- **electronic data,**

then the applicable Limit Of Insurance for:

- Electronic Data Processing Equipment; or

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## **Additional Coverages**

### *In Transit (continued)*

- Electronic Data,  
shown under In Transit in the Declarations will apply.

This Additional Coverage does not apply:

- to **electronic data processing property** while **in transit** to or from any exhibition, fair or trade show;
- when you are acting as a carrier for hire;
- if you have purchased separate ocean marine insurance which covers **electronic data processing property** while **in transit**; or
- to shipments by mail, unless registered.

This Additional Coverage applies only if an applicable Limit Of Insurance for Electronic Data Processing Property is shown under In Transit in the Declarations.

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### *International Air Shipments*

We will pay for direct physical loss or damage to:

- **electronic data processing equipment**; or
- **electronic data**,

caused by or resulting from a **technology peril** while being shipped by air to or from:

- the contiguous United States of America;
- Canada;
- the State of Alaska;
- the State of Hawaii;
- Puerto Rico; or
- territories or possessions of the United States of America or Canada,

and points worldwide, not to exceed the applicable Limit Of Insurance for Electronic Data Processing Property shown under International Air Shipments in the Declarations.

If you purchase additional, separate Limits of Insurance for:

- **electronic data processing equipment**; or
- **electronic data**,

then the applicable Limit Of Insurance for:

- Electronic Data Processing Equipment; or
- Electronic Data,

shown under International Air Shipments in the Declarations will apply.

This Additioanl Coverage applies from the delivery of **electronic data processing equipment** or **electronic data** at the point of origin shown in the air waybill until it is discharged at the destination shown in the air waybill.

This Additional Coverage does not apply:

- to **electronic data processing property** while being shipped to or from any exhibition, fair or trade show;



## ***Electronic Data Processing Property***

### ***Additional Coverages***

#### ***International Air Shipments (continued)***

- to **electronic data processing property** being shipped by mail;
- if you have purchased separate ocean marine insurance which covers **electronic data processing property** while being shipped by air;
- if you are required to provide a negotiable special cargo policy of insurance to any seller, buyer or bank; or
- to any loss or damage to **electronic data processing property** payable under the Additional Coverage for In Transit.

This Additional Coverage applies only if an applicable Limit Of Insurance for Electronic Data Processing Property is shown under International Air Shipments in the Declarations.

#### ***Mobile Communication Property***

We will pay for direct physical loss or damage to **mobile communication property** caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit Of Insurance for Mobile Communication Property shown in the Declarations.

This Additional Coverage does not apply to **mobile communication property** at, or within 1,000 feet of, the premises shown in the Declarations.

#### ***Newly Acquired Electronic Data At Newly Acquired Premises***

We will pay for direct physical loss or damage to **electronic data** at newly acquired premises caused by or resulting from a **technology peril**, not to exceed the Limit Of Insurance for Electronic Data shown in the Declarations under Newly Acquired Premises or Newly Acquired or Constructed Property.

This Additional Coverage applies until the first of the following occurs:

- you report the value of the **electronic data** at the newly acquired premises to us and we add such **electronic data** to this policy;
- 180 days pass from the date you acquire the premises; or
- this policy expires.

We will charge you additional premium for the reported values from the date you acquire the premises, if we add such **electronic data** to this policy.

#### ***Newly Acquired Electronic Data Processing Equipment And Communications Property***

We will pay for direct physical loss or damage to newly acquired:

- **electronic data processing equipment**; or
- **communication property**,

at:

- the premises shown in the Declarations; or
- newly acquired premises,

caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit Of Insurance for Electronic Data Processing Equipment or Communication Property shown in the:

- Supplementary Declarations under Newly Acquired Premises or Newly Acquired Or Constructed Property; or

- 
- Declarations under Newly Acquired.

### ***Additional Coverages***

***Newly Acquired  
Electronic Data  
Processing Equipment  
And Communications  
Property  
(continued)***

This Additional Coverage applies until the first of the following occurs:

- you report the value of the newly acquired **electronic data processing equipment or communication property** to us and we add such **electronic data processing equipment or communication property** to this policy;
- 180 days pass from the date you acquire the **electronic data processing equipment or communication property**; or

this policy expires.

We will charge you additional premium for the reported values from the date you acquire the **electronic data processing equipment or communication property**, if we add such **electronic data processing equipment or communication property** to this policy.

---

***Preparation Of Loss  
Fees***

We will pay the reasonable and necessary expenses we require you to incur after covered direct physical loss or damage to **electronic data processing property** to determine the extent of such loss or damage, not to exceed the applicable Limit Of Insurance for Preparation Of Loss Fees shown in the Declarations.

This Additional Coverage does not apply to any expenses you incur for any:

- insurance adjuster, consultant or attorney; or
- of your subsidiaries or affiliates.

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***Debris Removal  
Coverage***

***Debris Removal***

We will pay for the costs you incur to remove debris of damaged **electronic data processing equipment or communication property** caused by or resulting from a peril not otherwise excluded that occurs during the policy period.

Debris removal will be paid only if reported to us in writing within 180 days of the date of the direct physical loss or damage to the **electronic data processing equipment or communication property**.

Debris removal does not apply to costs to:

- clean up or remove **pollutants** from land, water or air;
  - clean up, remove, restore, or replace property because of the presence of **fungus**; or
  - clean up, remove, restore or replace polluted land, water or air,
- either inside or outside of a building.

This Debris Removal Additional Coverage is provided regardless of whether a Limit Of Insurance for Debris Removal is shown in the Declarations.



## ***Electronic Data Processing Property***

### ***Policy Exclusions***

The following Policy Exclusions apply to all the coverages in this contract:

#### ***Acts Or Decisions***

This insurance does not apply to loss or damage caused by or resulting from acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

This Acts Or Decisions exclusion does not apply to ensuing loss or damage caused by or resulting from a **technology peril**.

#### ***Business Errors***

This insurance does not apply to loss or damage to **electronic data processing property** caused by or resulting from errors in the:

- altering;
- calibrating;
- constructing;
- developing;
- distributing;
- installing;
- manufacturing;
- maintaining;
- processing;
- repairing;
- researching; or
- testing,

of that **electronic data processing property**.

This Business Errors exclusion does not apply to:

- loss or damage that results to other covered property; or
- ensuing loss or damage caused by or resulting from a **technology peril**.

#### ***Fungus***

This insurance does not apply to loss or damage:

- which is **fungus**;
- which is in anyway attributed to the presence of **fungus**; or
- caused by or resulting from **fungus**,

regardless of any other cause or event that directly or indirectly:

- contributes concurrently to; or
- contributes in any sequence to,

the loss or damage, even if such cause or event would otherwise be covered.

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## **Policy Exclusions**

### **Fungus (continued)**

This Fungus exclusion does not apply when the presence of **fungus** results from:

- explosion;
- fire;
- leakage from fire protection equipment; or
- lightning.

### **Dishonesty**

This insurance does not apply to loss or damage caused by or resulting from fraudulent, dishonest or criminal acts or omissions committed alone or in collusion with others by you, your partners, members, officers, managers, directors, trustees, employees, anyone performing acts coming within the scope of the usual duties of your employees, or by anyone authorized to act for you, or anyone to whom you have entrusted covered property for any purpose.

This Dishonesty exclusion does not apply to:

- A. acts of vandalism;
- B. acts committed by carriers or warehousemen for hire or anyone claiming to be a carrier or warehouseman for hire, other than:
  1. you, your partners, directors, trustees and employees;
  2. anyone performing acts coming within the scope of the usual duties of your employees; or
  3. anyone authorized to act for you; or
- C. ensuing loss or damage caused by or resulting from a **technology peril**.

### **Earthquake**

This **insurance does not apply** to loss or damage caused by or resulting from earthquake, regardless of any other cause or event that directly or indirectly:

- contributes concurrently to; or
- contributes in any sequence to,

the loss or damage, even if such other cause or event would otherwise be covered.

This Earthquake exclusion:

- applies only in the state of California, unless otherwise stated; and
- does not apply to ensuing loss or damage caused by or resulting from a **specified peril**.

### **Errors In Systems Programming**

This insurance does not apply to loss or damage caused by or resulting from:

- A. errors or omissions in the development of, programming of, or instructions to:
  1. **electronic data processing property**; or
  2. a machine; or
- B. **electronic data** which is faulty, inadequate or defective for the use intended at the time of loss or damage.

This Errors In Systems Programming exclusion does not apply to ensuing loss or damage caused by or resulting from a **specified peril**.

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***Electronic Data Processing Property******Policy Exclusions***  
*(continued)*

<b><i>Governmental Or Military Action</i></b>	<p>This insurance does not apply to loss or damage caused by or resulting from seizure, confiscation, expropriation, nationalization or destruction of property by order of governmental or military authority, whether de jure or de facto, regardless of any other cause or event that directly or indirectly:</p> <ul style="list-style-type: none"> <li>• contributes concurrently to; or</li> <li>• contributes in any sequence to,</li> </ul>
	<p>the loss or damage, even if such other cause or event would otherwise be covered.</p>
	<p>This Governmental Or Military Action exclusion does not apply to loss or damage caused by or resulting from acts of destruction ordered by governmental or military authority:</p>
	<ul style="list-style-type: none"> <li>A. when taken at the time of a fire to prevent its spread, if the fire would be covered under this insurance; or</li> <li>B. if the act of destruction is made necessary by direct physical loss or damage to: <ul style="list-style-type: none"> <li>1. <b>electronic data processing property while in transit;</b> or</li> <li>2. a conveyance in or on which <b>electronic data processing property while in transit</b> is loaded,</li> </ul> </li> </ul> <p>caused by or resulting from a <b>technology peril</b>.</p>
<b><i>Nuclear Hazard</i></b>	<p>This insurance does not apply to loss or damage caused by or resulting from nuclear reaction or radiation, or radioactive contamination, regardless of any other cause or event that directly or indirectly:</p> <ul style="list-style-type: none"> <li>• contributes concurrently to; or</li> <li>• contributes in any sequence to,</li> </ul>
	<p>the loss or damage, even if such other cause or event would otherwise be covered.</p>
	<p>This Nuclear Hazard exclusion does not apply to ensuing loss or damage to <b>electronic data processing property</b> caused by or resulting from fire, if the fire would be covered under this insurance and there is a law in effect in the jurisdiction where the loss or damage occurs that expressly prohibits us from excluding such ensuing loss or damage.</p>
<b><i>Planning, Design, Materials Or Maintenance</i></b>	<p>This insurance does not apply to loss or damage (including the costs of correcting or making good) caused by or resulting from any faulty, inadequate or defective:</p>
	<ul style="list-style-type: none"> <li>• planning, zoning, development, surveying, siting;</li> <li>• design, specifications, plans, workmanship, repair, construction, renovation, remodeling, grading, compaction;</li> <li>• materials used in repair, construction, renovation or remodeling; or</li> <li>• maintenance,</li> </ul>
	<p>of part or all of any property on or off the premises shown in the Declarations.</p>
	<p>This Planning, Design, Materials Or Maintenance exclusion does not apply to ensuing loss or damage caused by or resulting from a <b>technology peril</b>.</p>

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## **Policy Exclusions**

(continued)

### **Utility Supply Failure**

This insurance does not apply to loss or damage caused by or resulting from suspension or reduction of:

- water services;
- electric or other power services;
- natural gas or other fuel services; or
- Internet or other communication services,

regardless of any other cause or event that:

- contributes concurrently to; or
- contributes in any sequence to,

the loss or damage, even if such other cause or event would otherwise be covered.

This Utility Supply Failure exclusion does not apply:

- if the suspension or reduction of such services is the direct result of direct physical loss or damage caused by or resulting from a **technology peril**; or
- to ensuing loss or damage caused by or resulting from a **specified peril**.

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### **War And Military Action**

This insurance does not apply to loss or damage caused by or resulting from:

- war, including undeclared or civil war;
- warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- insurrection, rebellion, revolution, usurped power or action taken by governmental or military authority, whether de jure or de facto, in hindering or defending against any of these,

regardless of any other cause or event that directly or indirectly:

- contributes concurrently to; or
- contributes in any sequence to,

the loss or damage, even if such other cause or event would otherwise be covered.

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### **Wear And Tear**

This insurance does not apply to loss or damage caused by or resulting from wear and tear or deterioration.

This Wear And Tear exclusion does not apply to ensuing loss or damage caused by or resulting from a **specified peril** or **water**.



## ***Electronic Data Processing Property***

### **Limits Of Insurance**

The most we will pay in any **occurrence** is the amount of loss or damage, not to exceed the applicable Limit Of Insurance shown in the Declarations.

If any Premises Coverage or Additional Coverage appears in more than one contract which form a part of this policy, unless otherwise specified, the applicable Limit Of Insurance shown in the Declarations for such coverages is the most we will pay in any **occurrence**, regardless of the number of contracts in which such Premises Coverage or Additional Coverage appears.

### **Deductible**

Subject to the applicable Limit Of Insurance, we will pay the amount of loss or damage **in excess** of the applicable deductible amount shown in the Declarations for each **occurrence**.

If two or more deductibles apply to the same **occurrence**, only the largest single deductible will apply, unless otherwise stated.

### **Loss Payment Basis**

The following Loss Payment Basis provisions apply to all coverages contained within this contract, unless otherwise stated.

Subject to the applicable Limit Of Insurance shown in the Declarations:

- A. covered property is valued on a replacement cost basis as described below, unless:
  - 1. the Loss Payment Basis shown in the Declarations is Actual Cash Value; or
  - 2. otherwise stated under Loss Payment Basis Exceptions; and
- B. valuation also includes, for **electronic data processing equipment or communication property**, costs you incur as described below under Ordinance or Law and Extended Warranties.

### **Our Loss Payment Options**

In the event of loss or damage covered by this insurance, at our option we will either:

- pay the covered value of the lost or damaged covered property;
- pay the cost of repairing or replacing the lost or damaged covered property plus any reduction in value of the repaired item;
- take all or any part of the covered property at an agreed or appraised value; or
- repair or replace the covered property with other such property of comparable material and quality for the same use or occupancy.

### **Replacement Cost Basis**

Lost or damaged covered property will be valued at the cost to repair or replace such property at the time of loss or damage, but not more than you actually spend to repair or replace such property at the same or another location for the same use or occupancy. There is no deduction for physical deterioration or depreciation.

If you replace the lost or damaged **electronic data processing property**, the valuation will include customs duties incurred.

If you do not repair or replace the covered property, we will only pay as provided under Actual Cash Value Basis.

If you commence the repair or replacement of the lost or damaged covered property within 24 months from the date of the loss or damage, we will pay you the difference between the actual cash value previously paid and the lesser of the:

- replacement cost at the time of loss or damage; or

## **Loss Payment Basis**

### **Replacement Cost Basis**

(continued)

- actual costs you incur to repair or replace.

Payment under the Replacement Cost Basis will not be made until the completion of the repairs or the replacement of the covered property.

### **Actual Cash Value Basis**

If the Loss Payment Basis shown in the Declarations is Actual Cash Value, lost or damaged covered property will be valued at the cost to repair or replace such property at the time of loss or damage with material of like kind and quality, less allowance for each of the following:

- physical deterioration;
- physical depreciation;
- obsolescence; and
- depletion.

### **Ordinance Or Law**

If there is an ordinance or law in effect at the time of loss or damage that regulates zoning, land use or construction of **electronic data processing equipment** or **communication property**, and if that ordinance or law affects the repair or replacement of the lost or damaged **electronic data processing equipment** or **communication property** and if you:

- A. repair or replace the **electronic data processing equipment** or **communication property** as soon as reasonably possible, the valuation will include:
  1. a. the replacement cost of the damaged and undamaged portions of the **electronic data processing equipment** or **communication property**; or
    - b. the actual cash value of the damaged and undamaged portions of the **electronic data processing equipment** or **communication property** (if the applicable Loss Payment Basis shown in the Declarations is Actual Cash Value);
  2. the costs to demolish and clear the site of the undamaged portion of the **electronic data processing equipment** or **communication property**; and
  3. the increased cost to repair or replace **electronic data processing equipment** or **communication property** to the same general size at the same site and for the same general use, to the minimum standards of such ordinance or law, except we will not include any costs:
    - a. incurred outside the legal property boundary of the premises shown in the Declarations;
    - b. if **electronic data processing equipment** or **communication property** is valued on an actual cash value basis; or
    - c. attributable to any ordinance or law that you were required to, but failed to, comply with before the loss; or
- B. do not repair or replace the **electronic data processing equipment** or **communication property**, the valuation will include:
  1. the actual cash value of the damaged and undamaged portions of the **electronic data processing equipment** or **communication property**; and
  2. the cost to demolish and clear the site of the undamaged portion of the **electronic data processing equipment** or **communication property**.



## ***Electronic Data Processing Property***

### ***Loss Payment Basis***

#### ***Ordinance Or Law (continued)***

When direct physical loss or damage is caused by or results from both:

- a **technology peril**; and
- an excluded peril,

the valuation will not include the Ordinance Or Law costs attributable to the excluded peril. Instead, the valuation will be based on that portion of such costs equal to the proportion that the covered direct physical loss or damage bears to the total direct physical loss or damage, not including Ordinance Or Law costs, unless the Ordinance Or Law applies solely to that portion of the **electronic data processing equipment** or **communication property** which suffered the covered direct physical loss or damage.

This Ordinance Or Law Loss Payment Basis does not apply to:

- any increase in costs, loss or damage associated with the enforcement of any ordinance or law that requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **fungus** or **pollutants**; or
- loss or damage caused by or resulting from fire which ensues from nuclear reaction or radiation, or radioactive contamination,

regardless of any other cause or event that directly or indirectly:

- contributes concurrently to; or
- contributes in any sequence to,

the loss or damage, even if such other cause or event would otherwise be covered.

If a maximum value for ordinance or law is shown in the Declarations, then, subject to the applicable Limit Of Insurance shown in the Declarations, such maximum value is the most we will consider under Ordinance Or Law.

#### ***Extended Warranties***

**Electronic data processing equipment** or **communication property** valuation includes the pro rata portion of the original cost based on the period of time remaining in your nonrefundable extended warranties, maintenance contracts or service contracts that you purchased and which are no longer valid on lost or damaged **electronic data processing equipment** or **communication property** that you repair or replace.

### ***Loss Payment Basis Exceptions***

#### ***Electronic Data***

**Electronic data** is valued on the full cost of replacement or reproduction at the time of direct physical loss or damage when the **electronic data** is actually replaced or reproduced.

If the **electronic data** is not replaced or reproduced, the value is based on the cost of replacing **blank media**.

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**Loss Payment Basis  
Exceptions**  
(continued)

**Nuclear Hazard**

**Electronic data processing property** which suffers direct physical loss or damage caused by or resulting from fire which ensues from nuclear reaction or radiation, or radioactive contamination, is valued on an actual cash value basis, subject to all other exceptions described under Loss Payment Basis Exceptions.

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**Electronic Data Processing Property Not Owned By You**

**Electronic data processing property** not owned by you is valued on the same basis as your **electronic data processing property**, subject to all other exceptions described under Loss Payment Basis Exceptions, but we will not pay more than the amount for which you are contractually liable.

Labor, materials and services that you furnish or arrange on **electronic data processing property** not owned by you is valued based on the actual cost of the labor, materials and services.

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**Loss Payment Limitations**

**Loss Of Market**

We will not pay for any loss or damage that results from loss of market, loss of use or delay.

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**Conditions (Including Coverage Territory)**

The conditions applicable to this contract are contained in the Property/Business Income Conditions And Definitions form included in this policy.

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**Definitions**

The definitions applicable to this contract are contained in the Property/Business Income Conditions And Definitions form included in this policy.